

American Academy of Pediatrics



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North Carolina Chapter

North Carolina Pediatric Society

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December 22, 2017

The Honorable Eric D. Hargan
Acting Secretary
US Department of Health and Human Services
330 Independence Avenue SW
Washington DC, 20201

RE: Comments on the Proposed NC 1115 Medicaid Waiver Application

Dear Secretary Hargan:

The NC Pediatric Society, the state chapter of the American Academy of Pediatrics, represents more than 2,000 primary care, medical subspecialty, and surgical specialty pediatrician and other child health professionals across North Carolina. We are pleased to work closely with the North Carolina Department of Health and Human Services (NCDHHS) on a variety of issues that affect child health. We appreciate the thoughtfulness the State has put into the waiver.

However, we have a number of concerns with this waiver proposal. Many of these concerns relate back to a few simple facts. Children represent 70% of the population covered by the waiver proposal. In North Carolina generally, 40% of children are insured through Medicaid or CHIP. In rural areas, 54% of children have public health insurance. Therefore, any changes to benefits and service delivery will have a disproportionate impact on children. Also, since it is not unusual for independent pediatric practices, especially in rural areas, to have 40% or more of their patients insured through Medicaid or CHIP, even small changes in payment, administrative burden, or other factors could make the difference between a practice closing its doors or continuing to offer health care services to any children in the community. Finally, given the relative rarity of certain pediatric subspecialists, paying specific attention to pediatric specialty access should be of particular concern.

Concerns

Benefits: Benefits need to remain strong with particular attention to assuring the full array of Early Periodic Screening Diagnosis and Treatment (EPSDT) benefits and adherence to Bright Future guidelines. Benefits should be strengthened and at a bare minimum maintained.

Inadequate payment rates: Payments for primary care should be at parity with Medicare rates or 115% of current Medicaid, whichever is higher. Research shows that enhanced Medicaid payment rates lead to greater participation by providers and improved access to care. For example, a new study in *Pediatrics* (January 2018) finds that payment increases resulted in more physicians participating in Medicaid, including 6% more accepting all new Medicaid patients. Payments that are inadequate to cover the costs of providing care do not represent a sustainable business model. (For example, the cost settling provisions for safety-net providers on page 30 foresees a need “to cover difference between PHP reimbursement and providers’ costs...”.) Furthermore, reliance on the CDPS + Rx (Chronic Illness Disability Payment System + Pharmacy) model is adult-centric. A child-focused complement, such as the Pediatric Medical Complexity Algorithm, should be strongly considered as well to better capture the needs of pediatric patients. Finally, we are concerned that resources currently devoted to health services may be redirected towards PHP administration. Existing funding mechanisms should be preserved and enhanced.

Administrative burden: We appreciate that the NCDHHS is seeking to reduce administrative burden. However, with multiple potential PHPs at both the state and regional levels, this will be inherently challenging. A single independent practice might need to negotiate three to five contracts where it now has only one with NC Medicaid. Pediatric subspecialists likely would be particularly hard-hit as they might need to participate with multiple regional networks to assure access to care for children, perhaps managing contracts for up to 15 PHPs. Particular areas of concern include care management, credentialing, prior authorizations, preferred drug lists, etc. Adding Tailored Plans further increases this complexity. The State should provide detailed information to stakeholders on how it is promoting administrative ease prior to release of the RFP.

Foster children: Foster children and graduates until age 26 should be assured a full array of physical and mental health services through a statewide Standard Plan without switching between Standard and Tailored plans. North Carolina should build on our strong Fostering Health NC infrastructure and network to maximize use of well-trained, trauma-informed providers and to continue neutral third-party convening of experts to identify and resolve barriers.

Enforcement: Payments need to be timely and accurate; enforcement needs to be sure and swift. There are almost no provisions specified for enforcement and even basic Chapter 58 consumer and provider protections seem in jeopardy. Prepaid Health Plans (PHPs) that do not pay timely and accurately should be assessed penalties of 1% per day after 30 days. NCDHHS should provide ombudsman services, legal support and other help to both families and providers to address issues with the PHPs. The State should pay negotiated rates or higher if PHPs declare bankruptcy or fail to pay timely.

Network adequacy: Network adequacy needs to be clearly defined, measured and evaluated specifically for services to children. Currently, the waiver includes very little detail on these critical issues. Children need access to pediatric primary care and appropriate pediatric specialists and all networks must be built in a manner that assures this access to pediatric care. In other states, such care sometimes requires patient travel that can be excessive or burdensome. Lack of robust network adequacy provisions may result in pediatric care being inappropriately substituted by adult providers who lack pediatric training and expertise.

Rural access: Quality rural access is critical and should be supported by enhanced payments, workforce development and more. Payments for telehealth should be provided to both the consulting specialist and the referring provider when the consult includes practice resources. Broadband should be sufficient to support appropriate telehealth.

Carved out services: Some services, such as dental care and fitting and fabrication of eye glasses, are carved out of the waiver. Care needs to be applied in determining the interaction of these services with other parts of the health care system and their impact on children. For example, vision care should be a fee-for-service provision for children who can be harder to evaluate and fit for glasses. Oral health care often involves many parts of the health care system, especially treatment for children with special health care needs. Untreated oral health problems can later present in the Emergency Department or other parts of the health care system.

Children and Youth with Special Health Care Needs: Services to this very vulnerable group should be phased in with strong supports to the families and providers before, during and after the transition. The needs of these children can be complex and multifaceted, often requiring the care of both primary and specialty care (sometimes multiple subspecialists). These needs should be taken into consideration when transitioning the population into a managed care setting. Input of stakeholders, including parents, will be important for informing program success.

Data should be complete, transparent and replicable. PHPs should be required on Day 1 to submit full ICD codes. Data systems, including the NC Immunization Registry, the Health Information Exchange, PHPs and practice Electronic Medical Records (EMR), should work together seamlessly. Practices should be reimbursed for the costs of any required EMR reprogramming.

Barriers to eligibility and coverage. We applaud the inclusion of Carolina Cares in the proposal. However, we are deeply concerned about provisions, such as work requirements, that would only serve to limit eligibility and coverage. Premiums and cost sharing for low-income families and individuals should be avoided. Coverage of parents leads to better health care for children. For example, a new study (*Pediatrics*, November 2017) finds that when parents have health care coverage, their children are more likely to receive well-child check-ups.

Primary Care: Primary care is of fundamental importance. About two-thirds of counties in NC are considered shortage areas for primary care. Yet, the waiver omits primary care from its list of provider shortage areas (page 32). Primary care, including pediatric primary care, should be included in workforce development efforts.

Care Management: Currently, care management is streamlined through Community Care of NC (CCNC). Under the proposal, CCNC may end as the PHPs ramp up. However, the waiver also calls for phasing in certain vulnerable populations, such as foster children and children with special health care needs. It is critical that strong care management be available during any transition. Furthermore, for practices to operate efficiently, multiple different care management and priorities from different PHPs must be avoided.

Patient and Provider Protections: Chapter 58 patient and provider protections should be maintained. Stakeholders, including representatives from independent practices, should be involved throughout the process. Parents, especially of children with special health care needs, are another important stakeholder group. Strong supports, such as ombudsmen, navigators and more, should be assured so the concerns of those providing and receiving care have a mechanism for ensuring their issues are addressed.

Areas of particular appreciation

- Expanding access to care through Carolina Cares
- Considering social determinants of health
- Phasing-in specialized statewide care for children in the foster care system through the Fostering Health NC model with care provided through Standard Plans
- Forgoing Tailored Plans for children in the foster care system
- Including Into the Mouths of Babes

In closing, I would like to emphasize on behalf of the NC Pediatric Society that, whether pediatricians personally support these reforms or not, most of us will do whatever we can to assure that children, especially low-income children, have access to quality health care. However, pediatricians across the state are already stretched thin with recent Medicaid payment reductions, moving to EMR, implementing meaningful use and other changes in this rapidly changing world of health care. We are deeply concerned about our ability to continue to deliver effective medical care as supports like CCNC are removed, specialists are harder to access, multiple administrative and payment barriers are erected and resources may be redirected away from care to PHP administration. As it gets more difficult, more bureaucratic, and less rewarding to care for children enrolled in public insurance, practices will become more stretched and stressed and more pediatricians will likely retire or otherwise limit serving children.

We urge you to consult with NC pediatricians at every step in the process. The proposed changes in this waiver will have a profound impact on our practices and the children we serve. I am happy to meet with you at any time or arrange for other knowledgeable experts with whom to connect. We urge you to keep the potential impact on children in the forefront as you make any decision about this complex system.

Sincerely,



Scott St. Clair, MD, FAAP, Chapter President
North Carolina Pediatric Society (NCPeds)

cc: The Honorable Mandy Cohen, MD, Secretary, NC DHHS
Dave Richard, Deputy Secretary for Medical Assistance, NC DHHS
Jay Ludlum, Assistant Secretary for Medicaid Transformation, NC DHHS
Elizabeth Hudgins, MPP, Executive Director of the NC Pediatric Society